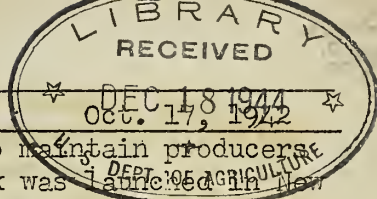


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration



Reserve No. 38

AMA "WAR BOARD" Letter Wash. D. C.

MILK PRICES: First AMA-Commodity Credit Corporation program to maintain producers' prices without increasing consumer price ceilings on fluid milk was initiated in New York City metropolitan area milk shed on October 13. New York milk marketing orders fix producers prices at \$3.30 per cwt for milk sold in metropolitan area. OPA retail ceiling prices were set when the farm price was below this level.

To maintain the producers' price, CCC will purchase fluid milk at \$3.30 per cwt from handlers and sell it back to them at \$3.10 per cwt, the price which prevailed in August. This will enable handlers to pay into the New York milk pool at the higher price without disturbing ceiling prices. The added funds (20¢ per cwt) will be distributed to producers as part of the monthly uniform price. Rate of payment was determined and recommended by OPA after investigation of dealers' costs now and in arch.

Handlers must apply to participate in program and must accompany claims for payment under it with certificate from regional OPA administrator that no action is pending against them (handlers) for violating ceilings on fluid milk. Handlers also must submit notarized statement that no sales of milk were made above ceilings during month for which claim is made. Claims must be filed with Milk Market Administrator before they are transmitted to CCC for payment.

Program probably will be extended to other federal milk market areas where producers prices have increased since the March 1941 ceilings were set on retail fluid milk sales.

Over-all dairy program is under consideration by various branches of USDA, OPA and dairy industry. Under discussion are permanent ceilings for dairy products, rationing, means of stimulating production of most urgently needed products. Probably be further developments on this next week.

EGGS AND POULTRY: Two-day conference between representatives of the Nation's poultry and egg industry and AMA officials on standards and grades ended here October 15. Conference group appointed two committees to further develop tentative plans set up during the meeting. Conference held to develop grades and standards for poultry and eggs, which could be put in general use and on which permanent OPA price ceilings could be based. Temporary price ceilings in effect October 3 will be replaced within 60 days by permanent ceilings. Committees expected to meet in Chicago soon before recommending final grades and standards.

PEANUTS: Producers who market "excess" peanuts in bags under the 1942-43 marketing program will receive \$2 more per ton than for those marketed in bulk. "Excess" peanuts are those grown largely on new acreage, produced for the most part for oil, and frequently must be marketed in bags. No extra payment will be made for bagged quota peanuts since they are largely grown on acreage normally devoted to peanuts and where handling and storage practices are well established.

WAREHOUSING: Letters will be sent out by AMA shortly to all cold or dry storage warehousemen that have handled or can handle AMA purchases, asking them to bid on AMA storage business. Letters will stress that warehousemen can bid as individuals and that they DO NOT have to form or belong to an association in order to receive AMA business.

AMA WB members can perform service by calling this to attention of warehousemen in their localities. Warehousemen will be told it is not necessary that they hold space which they offer AMA. They can quote rates with understanding that AMA will call them before sending them storage business.

FARM LABOR: Under development is program for recruitment of manpower from areas of under-employment within states, and placement of these workers in areas of greater production where there is need for additional manpower. Program probably will involve training of workers to be shifted to fit them for the type of work for which they are recruited. Probably be started on experimental basis in one or two states and expanded if successful. Looks like major job for state War Boards in the making.

Many requests have been received for use of Conscientious Objectors in the production, cultivation and harvesting of farm crops. Consideration is being given this now and program covering situation is expected to be announced shortly.

MEAT PURCHASES: In future all AMA meat purchases will be made through the Chicago office, 506 South Wabash Ave., instead of Washington office. Purchases will be made every week, rather than every two weeks as has been practice in past few months, on offer and acceptance basis. Offers of pork, lard and fats, other than canned meat, are returnable each Tuesday on or before 11 a.m. C. W. T. and acceptance will be filed by wire on or before midnight the following Friday. Offers on canned meat must be in before 11 a.m. each Tuesday and acceptance will be made by midnight the following Thursday. Offers of beef and lamb, other than canned, are returnable each Thursday before 11 a.m. and acceptance will be made by midnight the following Saturday.

On Oct. 13 AMA announced it would increase its purchase price for lard one cent per pound to the new $14\frac{1}{2}$ cents per pound ceiling for Government purchases of that commodity established by OPA. The new price is f.o.b. Chicago.

FIELD PURCHASE PROGRAMS: Apple purchase program is still booming. Total purchases to date (Oct. 15) amount to 1,283,131 bu. Purchases during past week (Oct. 9-15 inclusive) included: 7,138 bu. in Connecticut; 13,032 bu. in Delaware; 3,368 bu. in Maine; 11,496 bu. in Maryland; 19,610 bu. in Massachusetts; 19,576 bu. in Michigan; 7,490 bu. in New Hampshire; 6,216 bu. in New Jersey; 38,181 bu. in New York; 40,160 bu. in Ohio; 10,988 bu. in Pennsylvania; 24,300 bu. in Virginia; 1,865 bu. in Vermont; 20,017 bu. in West Virginia. All purchases made at \$1.25 per bu. except 2,499 bu. in Virginia and 516 bu. in West Virginia packed for storage, bought at \$1.30 per bu.

Only other purchase programs in operation last week saw 10,510 bu. US No. 1 sweet potatoes purchased in North Carolina at \$.90 per bu. and 11 crates of pine-apple bought in Puerto Rico at \$1.75 per crate. Squash purchase program scheduled to get under way in Massachusetts and New Hampshire was postponed until next week.

UNDER DISCUSSION: is advisability of building up "contingency reserves" of strategic foods—those susceptible to possible shortages. Big question is how and how much of these essential foods can be bought over and above current requirements to meet requirements that are almost sure to arise later on.

Problems in connection with idea are many and vary with almost every commodity. Involved particularly are canned and dried fruits and vegetables, dairy products, and dehydrated foods. Reason behind proposal, which is very tentative, is that it is apparent that Lend-Lease demands for these foods are going to increase and it would be dangerous to neglect the opportunity presented by the present good production year on the hope that we will not have weather troubles added to the other production difficulties facing us next year.